

C R A | Connecticut Railroad Association

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Good morning Senator LeBeau, Representative Perone, Senator Frantz, Representative Lavielle, and distinguished members of the Commerce Committee. I am here today to testify in SUPPORT of House Bill HB-5406, An Act Authorizing Bonds of the State for Commercial Rail Freight Line Improvements. My name is Douglas Low and I am Marketing Director of NEW ENGLAND CENTRAL RAILROAD, , which I am representing today in addition to the Connecticut Railroad Association, the organization representing eight (8) freight railroads (along with and associate members) with operations within the State of Connecticut.

As many of you will recall, the General Assembly passed an act in 2012 which created a fund at the Department of Transportation to be used for infrastructure improvements to freight rail lines. The program developed by Connecticut DOT ("CTDOT") became known as the Rail Freight Improvement Program or "RFIP, " the 2012 allocation of which has been fully committed for several important rail infrastructure improvement projects within the State of Connecticut. The intent of RFIP is to preserve, expand and/or establish freight rail service where economically feasible, and to preserve and/or stimulate economic development through enhanced and/or expanded freight rail service. Any improvements to Connecticut freight rail infrastructure, of course, equally advances and preserves that infrastructure for use by passenger rail operators as well. In adopting RFIP in 2012, the State of Connecticut joined the lengthy list of states which provide funding to US railroads for the completion of critical infrastructure projects to attempt to level the playing field with states which compete to attract and retain rail customers that compete head-to-head regionally, nationally and internationally with industry peers.

I am here today on behalf the Connecticut Railroad Association to request that you propose the bonding of funds to be used by Connecticut DOT to continue this worthwhile program in 2014.

The Connecticut Legislature, pursuant to Sec. 13b of chapter 236 of the Connecticut General Statutes, charged CTDOT with the administration of monies to be allocated from the *State of Connecticut General Obligation Bonds* or *State of Connecticut Special Tax Obligation Bonds* or as may otherwise be authorized by the General Assembly of the State of Connecticut to provide financing (along with Connecticut freight rail operators) for improvement, repair and/or modernization of rail freight infrastructure within Connecticut. In late spring 2013, Governor Dannel Malloy announced the results of CTDOT's consideration of proposed projects submitted by Connecticut freight railroads, which was comprised of \$8 Million in overall funding awarded

for six (6) projects, representing one (1) proposal submitted by six (6) of the eight (8) freight railroads operating in the State. In 2013, RFIP was oversubscribed with the total value of railroad-submitted proposals exceeding the total funding available under RFIP.

The projects approved in 2013, together with certain other identifying information, were as follows:

<u>Freight Railroad</u>	<u>Freight Line</u>	<u>Owner of Line</u>	<u>RFIP Grant</u>	<u>Project Location</u>	<u>Project Description</u>
CNZR	Griffins Line	State	\$2,646,300		Corridor Project (critical rail and tie replacements, grade x-ing improvements)
CSO	North Haven line	CSO	\$225,000		Freight Rail Siding for Nicolock
HRRC	Berkshire Line	State	\$1,625,075		Welded Rail program
NAUG	Torrington Secondary Line	State	\$1,649,636		Critical infrastructure improvement program
NECR	Mainline to New London		\$3,579,230		286k Upgrade
P&W	Norwich	P&W	\$759,395		Partial Rehabilitation

CRA's member railroads anticipated that RFIP would be funded by the State in consecutive years and was disappointed to learn that funding for 2014 was not authorized for this worthwhile program. CRA believes that the program, introduced just one (1) year ago, is an important component in strengthening the State's transportation system as well crucial to increasing the competitiveness and economic vitality of Connecticut businesses, and that "suspension" of the RFIP for even one year, especially at this early stage, will send the wrong message to both existing and prospective Connecticut rail customers. In addition, the funding is intended to fund projects that further the goals and objectives of Connecticut's State Rail Plan.

Were RFIP to be funded for 2014, CRA members have indicated that they would likely propose \$30 Million in projects, which meet CTDOT's criteria for selection including freight rail projects

which: improve safety (including the safety of at-grade rail crossings), and provide a connection to major freight generators, as well as advancing other factors and policies established by CTDOT such as providing economic and environmental benefits, maintaining a state-of-good repair on existing infrastructure and creating jobs. On behalf of CRA, thank you for your time and attention to this matter which is important to Connecticut railroads, Connecticut businesses which they serve and Connecticut's infrastructure and economy. We seek your support in the advancement of this program and its worthwhile objectives.

CONNECTICUT RAILROAD ASSOCIATION

By: _____
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New England Central Railroad, Member